

*The background papers on the candidate national program priorities are intended to initiate further discussion. When priorities are selected more detailed strategies with in-depth background information, numerical targets, schedules, milestones and performance measures will be developed.*

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## **Proposed Priority:** Financial Responsibility

### **Universe and Types of Facilities**

Financial assurance requirements under the environmental laws ensure that persons handling hazardous wastes, hazardous substances, toxic materials or pollutants have adequate funds to close facilities, clean up any releases of those materials, and, in some cases, compensate others that are harmed by the release of the materials. For example, a hazardous waste facility in accordance with Resource Conservation and Recovery Act (RCRA) Subtitle C requirements, must address the cost of closing; the annual cost required for post-closure monitoring and maintenance; liability coverage for sudden and non-sudden accidental occurrences; and corrective action required at solid and hazardous waste management units. Financial assurance requirements under Subtitle C cover permitted and interim status facilities. Under the Underground Injection Control (UIC) program, financial assurance requirements ensures that Class I wells (hazardous waste) are properly closed so that there are no release to the environment. The Toxic Substances Control Act (TSCA) program financial assurance requirements ensure the proper closure and cleaning up of Polychlorinated Biphenyls (PCBs) at commercial storage facilities.

The Casmalia Resources Hazardous Waste Management Facility serves as an example of how hazardous waste facilities' failure to adequately fulfill their financial assurance obligations can result in Superfund sites. The 252-acre commercial hazardous waste treatment, storage and disposal facility in Santa Barbara County, California accepted approximately 5.6 billion pounds of waste in its landfills, ponds, shallow wells, disposal trenches, and treatment units. In 1991, the owners and operators of the facility abandoned the site and had not provided sufficient funds to close the facility and care for the site. The site became known as the Casmalia Resources Superfund Site and will cost approximately \$272 million to remediate this site.

Owners or operators may provide financial assurance for liability coverage through a trust fund, surety bond, letter of credit, insurance policy, or financial test and corporate guarantee. This financial assurance must remain in place until closure is completed, a certification of completion has been submitted to the appropriate agency, and the owner or operator has received a notification from the appropriate agency indicating that financial assurance is no longer required.

### **Geographic Range**

Facilities or sites nationwide are affected by the financial assurance requirements.

### **Key Pollutants and Risk Factors**

Risks for failure of facilities to comply with the financial assurance requirements include releases from those facilities that adversely affect human health and the environment and the possible creation of Superfund sites. Pollutants which could be expected to result in contaminated groundwater, soils, and surface waters include solvents, dioxins, oils, and heavy metals.